

2009 Social Security/SSI/Medicare Information

Social Security Program:

- Tax Rate*: Employee and employer each -- 7.65% (6.20% - OASDI, 1.45% - HI)
Self-employed ----- 15.30% (12.40% - OASDI, 2.90% - HI)
* Social Security tax for employers and self-employed can be partially offset under income tax rules.
- Maximum Taxable Earnings Base: OASDI-- \$106,800; HI-- No limit
- Maximum FICA/SECA Taxes:

	<u>OASDI</u>	<u>HI</u>
Employee/employer (each):	\$ 6,621.60	No limit
Self-employed:	13,243.20	No limit
- OASDI Covered Workers (est. -- in millions, CY 2009):

	<u>Wages</u>	<u>Self-employed</u>	<u>Combined</u>
	154.5	18.5	164.3
- Percent of workers in paid employment or self employment who are covered: 94%
- Estimated Worker/Beneficiary Ratio: 2009: 3.2 to 1 2040: 2.1 to 1
- Earnings Required for a Quarter of Coverage: \$1,090; (\$4,360 for four)
- Coverage Thresholds for 2009: Self Employment: \$400; Domestic Employment: \$1,700;
Election Workers: \$1,500
- Retirement Test Exempt Amounts:
--No test beginning with month of attaining full retirement age (FRA)—i.e., age 66 FRA in 2009
--For pre-FRA months in year attaining FRA: -- \$37,680 annually, \$3,140 monthly (\$1 for \$3 withholding rate)
--Under FRA --\$14,160 annually, \$1,180 monthly (\$1 for \$2 withholding rate)
- Substantial Gainful Activity: \$980/mo. non-blind, disabled; \$1,640/mo. blind;
- Trial Work Period Service Month: \$700/mo.
- Formulae Bend Points: (Applicable to workers who reach age 62, become disabled, or die in 2009)

<u>Primary Insurance Amount (PIA)</u>	<u>OASI Maximum Family Benefit (MFB)</u>
90% of first \$744 of AIME, plus	150% of first \$950 of PIA, plus
32% of AIME over \$744 thru \$4,483, +	272% of PIA over \$950 thru \$1,372 +
15% of AIME over \$4,483	134% of PIA over \$1,372 thru \$1,789 +
	175% of PIA over \$1,789

(DI MFB ranges from 100% - 150% of the PIA, depending on the PIA level)
- Average Monthly Benefits:

	<u>12/07</u>	<u>12/08</u>
Retired worker:	\$1,079	1,153
Retired worker and aged spouse:	1,761	1,877
Disabled worker:	1,004	1,063
Disabled worker, spouse and children:	1,689	1,795
Aged widow(er):	1,040	1,112
Widowed mother/father and 2 children:	2,221	2,372
- Benefits for 1/2009 Retirees :

	<u>Age 62 (FRA 66)</u>		<u>FRA (Age 66)</u>	
	<u>PIA</u>	<u>Benefit</u>	<u>PIA</u>	<u>Benefit</u>
Scaled low earner	\$ 914.20	\$ 685	\$ 874.10	\$ 874
Scaled medium earner	1,506.20	1,129	1,440.60	1,440
Maximum earner	2,340.60	1,755	2,255.80	2,255

- Long-Range Constant Replacement Rate: Retirement at Age 67 in 2030 or later

Scaled low earner (45% of avg. wages): 55%; Scaled medium earner: 41%; Maximum earner: 27%

- Number of OASDI Beneficiaries (as of 12/08):

--Total OASDI beneficiaries:	50.9 million
--Retired workers and family members:	35.2 million
-Retired workers:	32.3 million
-Spouses:	2.4 million
-Children:	0.5 million
--Survivors of deceased workers:	6.5 million
-Aged surviving spouses:	4.2 million
-Disabled surviving spouses:	0.2 million
-Surviving spouses w/ child-in-care:	0.2 million
-Children:	1.9 million
--DI beneficiaries:	9.3 million
-Disabled workers:	7.4 million
-Spouses:	0.2 million
-Children:	1.7 million

- Number of OASDI Children Beneficiaries (12/08):

--Total:	4,131,739
-Children under age 18:	3,118,230
-Students:	142,043
-Disabled Children:	871,466

- COLA: Increase payable in January 2009 benefits – 5.8 percent

- Special Minimum PIA (12/08):

Approximately \$38.16 per year of coverage over 10 years; highest special minimum PIA = \$763.20 (30 years of coverage)

<u>Minimum Earnings for Year of Coverage:</u>	<u>2008</u>	<u>2009</u>
--Special Minimum:	\$11,385	\$11,880
--Windfall Elimination Provision:	\$18,975	\$19,800

- Full Retirement Age Schedule — by Year of Birth

1938 - 65/2 mos.	1942 - 65/10 mos.	1957 - 66/6 mos.
1939 - 65/4 mos.	1943-54 – 66	1958 - 66/8 mos.
1940 - 65/6 mos.	1955 - 66/2 mos.	1959 - 66/10 mos.
1941 - 65/8 mos.	1956 - 66/4 mos.	1960+ - 67

- Taxation of Benefits -- % of Benefits Taxed:

<u>% Taxed</u>	<u>Income Threshold</u>	<u>Filing Status</u>
up to 50%	\$25,000 - \$34,000	Individual
	\$32,000 - \$44,000	Joint
up to 85%	\$34,000 +	Individual
	\$44,000 +	Joint

- Average Wage Level: 2007: \$40,405 2008 : \$41,953(est.) 2009: \$43,679 (est.)

- OASDI Administrative Expenses (FY 2008):

<u>OASDI</u>	<u>OASI</u>	<u>DI</u>
Amount (in billions)	\$ 2.6	\$2.4
Percent of Benefit Payments	0.5%	2.3%
		0.8%

Numbers may not add due to rounding of individual components.

- OASI/DI Trust Funds' Operations (in billions, based on intermediate assumptions in 2008 Trustees Report):

<u>Calendar Year</u>	<u>Income</u>	<u>Outgo</u>	<u>Funds' Assets</u>	
			<u>Net Incr.</u>	<u>EOY Balance</u>
2008 (est)	\$820	\$624	\$196	\$2,435
2009 (est)	\$873	\$660	\$213	\$2,648

- Key dates from 2008 OASDI Trustees Report: (using intermediate assumptions)
2014 OASDI assets peak at 395 percent of expenditures.
2017 Expenditures exceed tax income for the first time since 1983.
2027 OASDI expenditures begin to exceed revenues from all sources, including interest earnings; Trust Fund reserves begin to be drawn down to help pay benefits.
2041 OASDI Trust Fund assets are exhausted. Then-current Social Security taxes would support about 78% of the expected benefits.
- Estimated long-range deficit: 1.70 percent of taxable payroll.

SSI Program

- SSI Payment Standard: \$674 individual, \$1,011 couple (effective 01/09)
- Resource Limits:
Individual----- \$2,000
Couple----- 3,000
- Number of SSI Beneficiaries and Average Payments (11/08):

	<u>Beneficiaries</u>	<u>Average Payments</u>
Total	7,533,795	\$ 477
Aged -----	1,210,023	\$ 392
Blind & Disabled -----	6,323,772	494
SSI Beneficiaries by Age:		
Under 18 -----	1,152,268	\$ 567
Age 18-64 -----	4,341,446	492
Age 65 and Over -----	2,040,081	395
- SSI Expenditures FY 2008
Federal SSI payments ----- \$41.1 billion
Federally Administered State Supplements ----- \$4.4 billion

Social Security and SSI Information

- Number of people receiving monthly benefits from SSA (11/08):
-OASDI Benefits only ----- 48.2 million
-SSI Benefits only ----- 4.9 million
-OASDI and SSI Benefits Concurrently -- 2.6 million
Total ----- 55.7 million
- Program Accuracy
OASDI Program Dollar Accuracy Rate (Nonmedical Factors) -- FY 2007
-- 99.8% of payment outlays without an overpayment
-- 99.9% of payment outlays without an underpayment
SSI Program Dollar Accuracy Rate (Nonmedical Factors) -- FY 2007
-- 90.9% of payment outlays without overpayment
-- 98.5% of payment outlays without underpayment
DDS Accuracy Rate for Initial Disability Decisions -- FY 2007

-- 97% - Overall performance accuracy rate

Medicare Program

- Number of HI/SMI Enrollees (FY 2008):

Total HI and/or SMI enrollees-----44.0 million
Aged-----37.6 million
Disabled-----7.4 million

- Part A Hospital Insurance:

	<u>Monthly Premium</u>
Fully Insured	\$0
30-39 credits	\$244.00
Less than 30 credits	\$443.00

- Part B Supplementary Medical Insurance Premium (2009): \$96.40 to \$308.30 (depends on income)

- Income-Related Monthly Adjustment Amount (IRMAA) Information

Number of Beneficiaries Affected: 2.167 million in 2009 (About 5% of Part B beneficiaries)

<u>*Modified Adjusted Gross Income (MAGI)</u>		<u>2009</u>	<u>2009</u>
		IRMAA Increase	Total Monthly Premium
<u>Single</u>	<u>Married Couple</u>		
\$85,000 or less	\$170,000 or less	\$0.00	\$96.40 (base premium)
\$85,000.01-107,000.00	\$170,000.01-214,000.00	\$38.50	\$134.90
\$107,000.01-160,000.00	\$214,000.01-320,000.00	\$96.30	\$192.70
\$160,000.01-213,000.00	\$320,000.01-426,000.00	\$154.10	\$250.50
\$213,000.01 or more	\$426,000.01 or more	\$211.90	\$308.30
<u>Married, Filing Separately</u>			
\$85,000 or less		\$0.00	\$96.40 (base premium)
\$85,000.01-128,000.00		\$154.10	\$250.50
\$128,000.01 or more		\$211.90	\$308.30

- Medicare Part D Subsidy Eligibility Requirements:

GENERAL – Individual Must Be:

- Entitled to Part A or enrolled in Part B;
- Enrolled in prescription drug plan;
- Reside in 50 States or DC;
- File an application; and,
- Have income and resources below specified limits.

- 2008* Income Limits

- Full Subsidy – Below 135% of poverty guidelines (below \$14,040 for an individual in continental U.S.)
- Partial Subsidy – Between 135%-150% of poverty guidelines (between \$14,040 and \$15,600 for an individual in continental U.S.) **Income limits will be adjusted in early 2009, based on release of 2009 federal poverty levels (FPL).*

- 2009 Resource Limits

- \$12,510 individual/\$25,010 married couple living together (includes \$1,500 per person burial

exclusion)

- Amount adjusted annually based on CPI

Resources/Contacts

Social Security Information: 1-800-SSA-1213 TTY: 1-800-325-0778 (82.6 million calls handled in FY 2008)

SSA Online: <http://www.socialsecurity.gov> (88.5 million visits to this website in FY 2008)

Congressional Relations Staff: (410) 965-3929

Medicare Info: 1-800-633-4227

TTY: 1-877-486-2048

Medicare online: <http://www.medicare.gov>